



COMMUNITY DEVELOPMENT DEPARTMENT

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PLANNING COMMISSION

CONTINUED REGULAR MEETING

OCTOBER 20, 2009

PRESENT: Tanda, Mueller, Escobar, Hart, Koepp-Baker, Liegl, Moniz
ABSENT: None
LATE: None
STAFF: Community Development Director (CDD) Molloy Previsich, Municipal Services Assistant (MSA) Buck

Chair Tanda reconvened the meeting at 7:00 p.m., inviting all present to join in reciting the pledge of allegiance to the U.S. flag.

DECLARATION OF POSTING OF AGENDA

Municipal Services Assistant Buck certified that the meeting's agenda was duly noticed and posted in accordance with Government Code Section 54954.2.

OPPORTUNITY FOR PUBLIC COMMENT

Chair Tanda opened, and then closed, the floor to public comment for matters not appearing on the agenda as none were in attendance indicating a wish to address such matters.

CONTINUED PUBLIC HEARINGS:

Before opening the public hearing, Chair Tanda asked CDD Molloy Previsich to speak about tonight's agenda item which was continued from the October 13, 2009 Planning Commission Meeting and advised the Commissioners to look at this week's revised packet not last week's packet.

1) DOWNTOWN SPECIFIC PLAN AND MASTER EIR:

CDD Molloy-Previsich presented the revised staff report.

There were some questions asked of CDD Molloy Previsich by Commissioners:

Commissioner Liegl commented that the Monterey/Main intersection has caused him a lot of thought. It may be a good idea to removing the left turn from Main to Monterey, which might shift eastbound traffic from Hale to Wright, and westbound from Depot to Second. Left turns are creating a lot of congestion at the intersection. CDD Molloy Previsich said that that type of restriction was not identified by traffic consultants in the EIR. If future redevelopment of the private properties at that intersection allow the opportunity to make changes, consultants recommend a double left hand turn lane. Chair Tanda indicated that Commissioner Liegl could pursue further discussion when the traffic study/EIR was under discussion.

Commissioner Moniz asked for an explanation of where the idea to change Block 19

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land use along Monterey Road came from, and if the school and pony league were supportive. CDD Molloy Previsich answered that the ideas came from staff and consultants and that Morgan Hill Unified School District did like the idea, but heard nothing from pony league.

Chair Tanda opened the public hearing.

Mazid Belviny (Owner of Mama Mia), 275 E. Dunne Ave. told the Commissioners that 4 – 5 years ago when he purchased his land, it was planned for mixed use. When he purchased it his plans were to develop it with not only Mama Mia's, but possibly other restaurants and some residential in the future. He asked that it please remain as mixed use.

David Lam, 8163 Redlands, Sp #38, Playa Del Rey, CA 90293, property manager for Duckett Wilson property owner, voiced his opposition to changing land use on Block 20 (the existing shopping center). Most all tenants are on a 3- to 5-year lease term (except Dollar Tree). Extension of an administrative use permit for 3 year terms won't really work. When asked what the current occupancy rate is by Commissioner Escobar, Mr. Lam said they are about 80-85% full, 15-20% vacant. Commissioner Escobar asked how many of the businesses he represents. Mr. Lam said about 20-25 in the Morgan Hill Plaza center. They have hired a broker to help with leasing the empty spaces, but it is difficult to get loans and retail in general is having difficulties. Commission Mueller commented that there have been several discussions over the last few years about modernizing the center and asked what Mr. Lam's long-term plan is? Mr. Lam said that his owners would be open to discussing a facade remodel, but Ross and Dollar Tree would need to do it at the same time. Commissioner Mueller asked what Mr. Lam thinks the reaction would be regarding a more radical change, in terms of a redevelopment with multi-family residential on the westerly portion of the center? Mr. Lam said he is not sure how the owners would react but thought that they would be opposed to residential since they are not in the residential business, it is not their cup of tea...they are in the commercial business.

William Quenneville Sr., 25 E. 5th Street, said that he is not envisioning the Parisian streetscape as shown in the Morgan Hill Times and it is causing him distress. He is opposed to Paris/Santana Row look. He is concerned about the huge building projects causing disruption to businesses. He knows of some businesses that have already experienced 2/3 sales cut and a layoff of 2 staff members due to the 3rd Street construction. He has issues with Measure A regarding fair political practices, and he does not believe parking has been adequately addressed. If proposed changes go forward then it will not be Morgan Hill anymore and it needs to stay Morgan Hill.

Dennis Kennedy, former mayor spoke about the vision statement from the "Beyond Measure A" group, recommending changes to the "vision" wording in the Downtown Specific Plan. Commission Baker and CDD Molloy Previsich stated that the suggested working from the group presented on October 13th has been reflected in the addendum that is proposed for incorporation into the Specific Plan.

Jerry DiSalvo (a downtown property owner, on the board of the Downtown Association and chair of Design Committee), P.O. Box 6947, San Jose, CA 95150. His wife was involved in adding art to downtown Willow Glen. He proposed that downtown Morgan

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Hill could be a place for art and said that he was excited with the thought of widening the median to a 44' that would occur on 4 ½ blocks and add 60,000 sq. ft. for an art park. He envisions a fountain at 3rd & Monterey, musicians, flowers, ice cream, bocce ball court and possible an ice rink at Christmas. Can it happen? Why not.

Lesley Miles, 540 W. Dunne Ave. said that Jerry's inspiration would create a sense of place. For many towns, it's a public place...a "city square" or "plaza", that create the downtown community. She also said that many communities have city squares such as Healdsburg, Paso Robles, and even Watsonville. Ms. Miles presented a plan showing the "Santana Row" type of median, and stated that when layered over Monterey, it can work. Having one traffic lane each way can happen. With the construction that has been going on, we have had one lane each way downtown and it has worked. She doesn't want to take Santana Row to Morgan Hill, but it does have a wide median that accommodates 60,000 square feet of public space. There was a question posed about drainage not to be at the curb or staying at the curb as well as the median providing an east/west division. Lowering the crown in the median would give more useable space in the middle, but this is just conceptual at this point; it may be possible to box and keep the trees. There is an opportunity to think out of the box and create a unique exciting place. Downtown can take a step forward to Live, Work and Play.

With no other speakers, Chair Tanda closed the Public Hearing at 7:40 p.m.

Commissioner Mueller asked about the Downtown Specific Plan page 3-7 in regards to the verbage of: "not likely to occur until after 2015". CDD Molloy Previsich advised that has been proposed for deletion by the Addendum, with updated text substituted regarding Monterey Road.

From the Addendum Page 13, regarding Page 8-9 of the Plan. CDD Molloy Previsich read the new text aloud regarding the study of Monterey Road narrowing from 4 to 2 lanes. Commissioner Escobar asked if this removes the time and CDD Molloy Previsich said yes.

Commissioner Koepp-Baker asked if there were any other prospects within 1-3 years since we lost out on the grant and was wondering if they said why we did not get the grant. CDD Molloy Previsich commented and mentioned that RDA funds could be spent on a Monterey Road streetscape alternatives study, and there also will be other opportunities to apply for grant funds. The City did get some feedback on how to make its application more competitive, and adoption of the Plan and MEIR should also help.

Chair Tanda suggested that the focus of the Commissioners discussion could be either page-by-page of the addendum, or perhaps just focusing on the issues so they could vote on them.

A discussion took place to identify the aspects of the proposed Plan that the Commissioners needed to discuss in order to develop recommendations for the City Council.

CDD Molloy Previsich identified issues she was aware of, including: Block 16 land use recommendation for CBD with retail restrictions; Block 20 land use and possible Commercial Use Overlay and Commercial Administrative Use Permit; the Mama Mia's

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property owner request to retain Mixed Use; the letter regarding Blocks 13 and 14 requesting "Rural Estate" changing to "R-3" over Nob Hill.

Commissioner Mueller added: Parcel size for allowing 4 story buildings; ability to allow exceptions to parking space design standards; allowing more than one detached single family home on CC-R parcels.

Commissioner Liegl added: Mitigation issues such as intersections moving to F in the future, and the Main/Monterey intersection.

Commissioner Hart added: Blocks 13 and 14 going from R-2 to R-3.

Chair Tanda added: Block 20 and the request by Mr. Lam to retain commercial land use.

Chair Tanda repeated the list and led discussion of each item.

- 1) Block 16: Discussion regarding the Downtown Specific Plan Addendum where the Cal Train Parking Lot site was discussed, with new language recommended (page 4 of addendum describing Block 16); CDD Molloy Previsich read a section: "While Block 16 is designated for Mixed Use-CBD, desired development is for high-density residential use, CalTrain/VTA parking, with perhaps some office uses. Any commercial service use should be very ancillary, and retail uses are strongly discouraged..."

Commissioner Koepp-Baker said that any possibility of retail bothers her. Commissioner Mueller thought that there needs to be stronger zoning/prohibition type language. CDD Molloy Previsich said that language could be made stronger, having strong language against commercial services or even prohibiting retail. The Specific Plan is a big PD for the Block, so we could modify the CBD as it applies to that block. By consensus, the Planning Commission supported revising language where necessary to prohibit retail on Block 16.

Chair Tanda called for a 10 minute break at 8:00 p.m. The meeting was called back to order at 8:10 p.m.

- 2) Block 18 – Discussion and consensus taken by all to retain Mixed Use, with CC-R zoning, for the Mama Mia's parcel.
- 3) Block 20 – Commissioner Mueller understands concerns of the property owner regarding the Commercial Overlay and Commercial Administrative Use Permit. CDD Molloy Previsich indicated that the proposed regulations could lengthen the CAUP term to 5 years. Commissioner Koepp-Baker asked if the City would consider assisting a facade improvement over 3 or 5 year period. She mentioned the old Nob Hill facade improvement and said that although it is old, it is a very viable center and that the parking lot is always full. Commission Mueller mentioned a commercial overlay with a 10 year period. Commissioner Moniz said the proposal to change land use to multi-family residential is a better land use, but it's a difficult group and so he is in favor of no change as that might make it as barrier-free as possible. Commissioner Escobar said that one option could be to create strong policy language to indicate that the City wants to redevelop in the future...maybe a

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strong policy to study change, but make the change later? If better position to move ahead in 5 years, instead of leaving open ended.

CDD Molloy Previsich commented that Ross and Dollar Store could stay there under the proposed Mixed Use/CCR; it is the portion of the center west of the Creek easement that is desired to change. RDA support for future redevelopment or facade improvements on the site involves priority decisions of the Agency, and she believes the agency has periodically discussed redevelopment with the property owners over many years. Any financial assistance would need to make economic sense for RDA & property owners.

Commissioner Liegl stated a need to consider the owner's present investment and make sure we're not damaging his business, though the residential land use would be good for a long-term view.

Commissioner Escobar stated that it was also important to consider the city's and RDA's investment, and the investments of other downtown property owners; all going toward achieving the downtown vision. There is a concern that the existing property owner does not seem to make making appropriate investments in maintaining the property at a level compatible with downtown and the surrounding neighborhoods.

Chair Tanda commented that the new vision is consistent with the downtown vision, in that retail is desired to be concentrated in the downtown core, and it is desirable to have nearby residential populations to support downtown.

Commissioner Mueller suggested that for the initial implementation of a Commercial Administrative Use Permit (CAUP), the City could issue one for each space in the center for a 5-year period, and then the City reviews before the end of that 5 years. If the City puts it all in place for the property and business owners, then it won't be too disruptive for them, but it also sends a strong message about the desired land use and the city's land use goals. It lays the groundwork for redevelopment, as the General Plan and zoning will have already been changed. Also, this Block does qualify for the 500 exemptions from the Residential Development Control System (RDCS) under Measure A, which is a huge benefit in that a redevelopment project would not need to compete for the right to build.

Commissioner Koepp-Baker liked that idea, perhaps with some sort of soft targeted end date for the commercial uses. Commissioner Escobar also supported Commissioner Mueller's suggested approach.

It was clarified that under this approach, individual spaces could also individually request extensions or modifications of CAUPs as needed; and that before the end of the first 5 years the City would review and perhaps at that time would take action to extend all CAUPs again for some fixed amount of time, such as 3 or 5 years.

**COMMISSIONERS MONIZ/HART MOTIONED there be no land use change.
THE MOTION FAILED (2-5-0-0) WITH THE FOLLOWING VOTE:
AYES: HART, MONIZ
NOES: TANDA, MUELLER, ESCOBAR, KOEPP-BAKER, LIEGL**

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ABSTAIN: NONE

ABSENT: NONE

COMMISSIONERS MUELLER/ESCOBAR MOTIONED to support the General Plan/Zoning change to multi-family residential/R-3 with Commercial Use Overlay, with the City to issue a CAUP for each space in the shopping center for a 5 year term, upon adoption of CU Overlay. Individual spaces would be able to request CAUP extensions as needed to facilitate leasing. The City to review prior to the end of the first 5 year term.

Under discussion, Commissioner Escobar noted that “review” does not mean that there necessarily will be a land use conversion and no more CU/CAUP, but that the City and Agency will be taking a good look at the situation.

Chair Tanda stated that spaces could still request CAUPs in 5-year increments, and the property would very likely remain as is until either current or new owners propose redevelopment.

THE MOTION PASSED (5-2-0-0) WITH THE FOLLOWING VOTE:

AYES:TANDA, MUELLER, ESCOBAR, KOEPP-BAKER, LIEGL

NOES: HART, MONIZ

ABSTAIN: NONE

ABSENT: NONE

- 4) Blocks 13 and 14 Changing from R-2 to R-3 – Commissioner Hart questioned going from Multi-Family Low to Multi-Family Medium. CDD Molloy Previsich responded that it is unlikely that existing properties would redevelop as the density increase generally does not provide a strong enough incentive, but there are vacant and underutilized properties that could develop, and it is a policy goal to increase the residential population in and adjacent to downtown. By consensus, the Commissioners supported the proposed land use change.
- 5) Nob Hill Rural Estate changing to R-3 – By consensus, the Commission supported maintaining the Nob Hill area, with its steeper topography, in Rural Estate land use, and did not support the letter from a property owner requesting the R-3 zoning.
- 6) Minimum Parcel Size for Allowing 4 Stories. Commissioner Mueller said that 4 stories should not be allowed on 22,000 sq. ft. parcels. The parcel needs to be larger such as at least one acre; perhaps the Plan should require that 4 story projects must be within 1 acre PDs. CDD Molloy Previsich indicated that the Specific Plan is itself a kind of PD, and that the on-site residential parking requirement will likely keep projects on that size parcels less than 4 stories. Also, any 4th floors are subject to design review and the fourth floor must be stepped back. Regarding the one-acre minimum, she indicated her sense that the scale of development downtown should be smaller scale; most traditional downtowns of Morgan Hill’s size had smaller than one-acre sized projects, and varying heights are supported. Commissioner Escobar supported allowing for creativity of design and the possibility of 4 stories. Commissioner Koepp-Baker did not see 4 stories on half-acre lots (22,000 sf). Commissioner Hart indicated she has spoken with many residents concerned about allowing 4 stories downtown, and she does not support any 4-story development, as

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it would change the unique look and feel of Morgan Hill.

Commissioner Moniz said that he didn't expect the City to get proposals for 4 story development.

Commissioner Mueller questioned where the proposal for 22,000 minimum lot size for 4 stories came from? CDD Molloy Previsich stated that staff and the consultants believed that the sites with the greatest potential for 4 story projects were the Booksmart/restaurant parcel (Block 3), and that site was about ½ acre; and the Sunsweet (Block 4) and VTA (Block 16) sites. She suggested that one alternative would be to allow 4 stories on sites of 22,000 sf on at least those 3 blocks, and perhaps even Blocks 1 and 2 as well.

COMMISSIONERS ESCOBAR/MUELLER MOTIONED to allow for 4 stories on Block 16 and on the eastern portions of Blocks 3 and 4, not including the parcels fronting onto Monterey Road, and with a 22,000 sf minimum lot size.

THE MOTION PASSED (6-1-0-0) WITH THE FOLLOWING VOTE:

AYES: TANDA, MUELLER, ESCOBAR, KOEPP-BAKER, LIEGL, MONIZ

NOES: HART

ABSTAIN: NONE

ABSENT: NONE

7) Allowing exceptions to parking design standard in CBD and PF districts.

Commissioner Mueller was uncomfortable allowing exceptions to design standards through the Design Review process, and felt that an urban design standard should be developed for downtown. CDD Molloy Previsich noted that the intent is to have some flexibility for accommodating downtown parking spaces; that every detail of the standards that are applied in new "suburban" development may not be desirable downtown. Any proposed exceptions would be carefully reviewed, and the spaces and lots would still be required to function safely. She believed it would be difficult to anticipate and develop an urban standard for each variation/exception that might be proposed and desired downtown; that the parking projects will need to be reviewed case by case.

COMMISSIONERS MUELLER/LIEGL MOTIONED to develop urban design parking standard for CBD zone downtown.

THE MOTION FAILED (2-5-0-0) WITH THE FOLLOWING VOTE:

AYES: LIEGL, MUELLER

NOES: TANDA, ESCOBAR, KOEPP-BAKER, HART, MONIZ

ABSTAIN: NONE

ABSENT: NONE

Commissioner Escobar commented that he supported allowing flexibility at the beginning and learning as we go.

8) Proposed deletion of Section 18.24.080(C) of CC-R district regarding no more than one single family dwelling. Commissioner Mueller stated that his concern was that if we allowed more than one dwelling, we would be removing an incentive to developer more intensely. CDD Molloy Previsich stated that one concern was to at least allow second units; currently homes can have a second unit in Single Family

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districts, but are not allowed in this higher density CC-R district. Commissioner Mueller suggested keeping the existing language, but then adding to it that “however, a second dwelling unit on x-size parcels is allowed”.

COMMISSIONERS MUELLER/ESCOBAR MOTIONED to NOT delete Section 18.24.080(C) of the CC-R district; instead to add language to state that only one detached dwelling unit per parcel is allowed on a lot size of 6,000 square feet.

THE MOTION PASSED (6-0-1-0) WITH THE FOLLOWING VOTE:

AYES: MUELLER, ESCOBAR, KOEPP-BAKER, HART, MONIZ, LIEGL

NOES: NONE

ABSTAIN: TANDA

ABSENT: NONE

The discussion of particular matters related to the proposed Downtown Specific Plan was concluded, and the Commission considered any EIR discussion items.

- 9) Main/Monterey Intersection. Commissioner Liegl revisited his concern about the projected low level of service for this intersection, and suggested restricting left turns to improve traffic flow. After some discussion, the Commission agreed by consensus to add an action item in the transportation section of the Specific Plan, calling for the City to study changing traffic lights and controls to not allow left hand turns from Main to Monterey in either direction during peak hours; with implementation as feasible. CDD Molloy Previsich said that an action item would be added to the specific plan as a further study item.

Having concluded discussion of both the Downtown Specific Plan and Master EIR, the Commission considered the recommended actions, to adopt resolutions providing recommendations to the City Council.

COMMISSIONERS MUELLER/ESCOBAR MOTIONED to Adopt Resolution recommending that the City Council certify the Final Master EIR for the Downtown Specific Plan and Associated General Plan and Zoning Map and Text Amendments, including findings for each environmental effect and a Statement of Overriding Considerations

Commissioner Mueller indicated that he also wanted the record to reflect that the MEIR response to his question about fire service should have noted that the Council considered an Update; not the Study itself, which is still underway.

THE MOTION PASSED (7-0-0-0) WITH THE FOLLOWING VOTE:

AYES: MUELLER, ESCOBAR, KOEPP-BAKER, HART, MONIZ, LIEGL, TANDA; NOES: NONE; ABSTAIN: NONE; ABSENT: NONE

COMMISSIONERS MUELLER/ESCOBAR MOTIONED to Adopt Resolution, incorporating the changes as discussed and voted upon earlier, recommending that the City Council adopt an ordinance adopting the Downtown Specific Plan as the General Plan and Zoning for the 18-Block Specific Plan area, and adopting Associated General Plan and Zoning Map and Text Amendments; including general plan land use map and zoning map amendments for Blocks 19 and 20; and

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increasing the maximum density of the “*CC-R Central Commerical-Residential*” zoning district from 18 to 20 units per acre

THE MOTION PASSED (7-0-0-0) WITH THE FOLLOWING VOTE:

AYES: MUELLER, ESCOBAR, KOEPP-BAKER, HART, MONIZ, LIEGL, TANDA; NOES: NONE; ABSTAIN: NONE; ABSENT: NONE

COMMISSIONERS MUELLER/ESCOBAR MOTIONED to Adopt Resolution recommending that the City Council adopt a resolution adopting certain additional General Plan Amendments supportive of the Downtown Specific Plan, including modifications to the definitions of the “*Mixed Use*” and “*Multi-Family Medium*” and “*Non-Retail Commercial*” land use designations; and allowing parking structures as a conditional use in the “*ML-Light Industrial*” zoning district; and adopting a new “*Commercial Use Overlay District*” and placing over a portion of Block 20, and adopting a new “*Commercial Administrative Use Permit*” process for use in the new CU Overlay District. Included in the motion was direction to staff to incorporate any needed changes into the proposed Specific Plan to reflect the Commission’s recommendation regarding the CAUP 5-year term and so forth.

THE MOTION PASSED (7-0-0-0) WITH THE FOLLOWING VOTE:

AYES: MUELLER, ESCOBAR, KOEPP-BAKER, HART, MONIZ, LIEGL, TANDA; NOES: NONE; ABSTAIN: NONE; ABSENT: NONE

**ANNOUNCEMENTS /
COMMISSIONER
IDENTIFIED ISSUES**

Commissioner Mueller noted that the new school at the site of the old Morgan Hill Elementary School probably owes the City a parking queue analysis, which should have been provided by now as a condition of their use permit, unless the school is not yet operational.

Commissioner Escobar noted that he would not be able to attend the October 27th meeting of the Planning Commission.

**CITY COUNCIL
REPORTS**

None. The Downtown Specific Plan will be considered at a public hearing at the City Council Meeting of November 4, 2009.

ADJOURNMENT

Noting that there was no further business for the Planning Commission at this meeting, Chair Tanda adjourned the meeting at 10:13 p.m.

MINUTES RECORDED AND TRANSCRIBED BY:

ELAINE J. BUCK, Municipal Services Assistant